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News Release

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Former appraiser in Parish Marketing scheme is sentenced

A former appraiser who provided misleading and inflated appraisals of the homes to lenders in a mortgage fraud scheme involving approximately 200 residences and approximately \$100 million in loan proceeds was sentenced today in federal court.

Donald Todd Yeager, 41, Ardamore, Okla., was sentenced to 15 months in prison and three years supervised release on one count of honest services fraud by United States District Court Judge Ann Montgomery Aug. 18 in Minneapolis. Yeager, who was charged on Oct. 9, 2007, and pleaded guilty on Oct. 11, 2007, will also be required to pay restitution.

Yeager was connected to the scheme arranged by the owners of Parish Marketing and Development Corp. (PMDC), a long-time Minnesota home builder. On July 31, the owners of the company, along with their son-in-law, were sentenced. The scheme resulted in a loss of between \$20 million and \$50 million and harmed more than 50 victims. Two additional defendants involved in the scheme were sentenced on Aug. 6.

According to court documents, PMDC used "straw buyers" to purchase approximately 200 properties built by PMDC, primarily in the New Prague, New Market and Lonsdale area. In total, the scheme generated nearly \$100 million in loan proceeds, with PMDC receiving in excess of \$25 million from these loan proceeds.

According to Yeager's plea agreement, he conducted 74 appraisals for PMDC from 2004 through 2005. These appraisals were misleading and failed to provide material information to the lenders, and were based primarily on a "value" provided by a mortgage broker and were not the product of independent professional analysis.

Yeager also improperly relied on information provided by an individual working for PMDC in making the inflated appraisals. Yeager admitted that his failure to provide honest services was driven by his own economic interest and desire to maintain future business providing appraisals for PMDC. He was paid \$400 per appraisal, and received a total of approximately \$30,000.

Two other defendants connected to the conspiracy have pleaded guilty to federal charges

and await sentencing.

Ramiz Yousef Saadeh, 30, Apple Valley, also pleaded guilty in September 2007 to conspiracy to commit mortgage fraud. The former US Bank officer admitted providing false verifications of deposit to the home builder on behalf of straw buyers.

In June 2008, John M. Rubischko, 36, Eagan, a former mortgage broker implicated in the scheme, also pleaded guilty to mortgage fraud and identity theft charges.

This case is the result of an investigation by the Federal Mortgage Fraud Task Force, including the Internal Revenue Service-Criminal Investigation Division and the Federal Bureau of Investigation. The investigation has been assisted by the Minnesota Department of Commerce, the Scott County Sheriff's Office, the Rice County Sheriff's Office, the Le Sueur County Sheriff's Office, and the New Prague Police Department. The case is being prosecuted by Assistant U.S. Attorney Joe Dixon.